REMARKS

At the time of the Office Action, claims 1-45, 74-104, and 112-115 were pending. The Examiner rejected all of the pending claims. It is requested that the application be reconsidered in view of the amendments made above and the following remarks.

Two Information Disclosure Statements are enclosed herewith for the Examiner's consideration. A first Information Disclosure Statement was previously submitted on May 10, 2002, but the undersigned has no record of it being considered by the Examiner at that time. Accordingly, the May 10, 2002 Information Disclosure Statement is being resubmitted. A second Information Disclosure Statement includes references beyond those cited in the May 10, 2002 Information Disclosure Statement.

I. Amendments to the Specification

Amendments are made to the specification to conform the specification to the drawings. This entailed deleting the unnecessary reference number 454, which was not shown in the drawings.

II. Amendments to the Claims

Claims 1, 4, 6, 7, 17, 18, 34, 36-40, 78-87, 114 and 115, 1 and 7 are amended to correct minor errors, without changing claim scope. Typically, the amendments correct for antecedent basis.

Claim 89 is amended to include the feature of claim 90, which has been cancelled. Claims 91-93 are amended to be dependent on claim 89.

III. Rejection of Claims 1-45, 74-104, and 112-115

Claims 1-45, 74-104, and 112-115 were under 35 USC 103 as being unpatentable over U.S. Pat. 5,356,717 to Choki et al. ("Choki"). Of these claims, claim 89 is amended to include the feature of claim 90. Otherwise, the claims are not amended in their scope.

Choki discloses, in his Figure 6c, a substrate 21 of a thermoplastic resin sheet, an adhesive layer 36, a magnetic recording layer 31 coupled to substrate 31 by adhesive layer 36, a hiding layer 32 contacting and overlying the magnetic recording layer 31, a design layer 41 on the hiding layer 32, and a protective layer 33 for the design layer 41.

Of these layers, Choki's hiding layer 32 is merely aesthetic. Hiding layer 32 has a sole purpose of "hiding the difference in level or in color tone between the magnetic strip 21 and the substrate 23 [or 21] to which the stripe 31 has been transferred or bonded." See col. 1, lines 47-59. That is, hiding layer 32 "hides the color of the magnetic recording layer 31." See col. 3, line 38. The material of the hiding layer 32 is not stated, but a thickness of 0.01-10 μ is given. See col. 3, line 63.

The design layer 41 also is merely aesthetic. It merely comprises "printed letters or designs." See col. 1, lines 50-52. In other words, layer 41 is mere ink or the like.

Finally, protective layer 33 has the stated purpose of being protecting the design layer 41. See col. 1, lines 50-52. The material of the protective layer 41 is "transparent polyvinyl chloride." See col. 1, lines 36-37.

In view of this disclosure, it is clear that the Examiner's statement that the hiding layer 32 has "magnetic properties" is

not supported by Choki, and in fact, is incorrect. Clearly, hiding layer 31 is, at most, some type of pigment carrying layer that is capable of lamination. See col. 4, lines 51-52.

Further, it is clear that Choki does not disclose features of each of the remaining independent claims, and of many of the dependent claims.

For instance, regarding <u>claims 1, 74, 97, and 112</u>, there is no disclosure by Choki that the protective layer 33 is "abradeable."

Regarding claims 3-6, 14, 17-20, 76, 77, 86, 87, 91, 92, 98, 99, 113, and 114, there is no disclosure that any of Choki's hiding layer 32, design layer 41, and protective layer 33 are of a "magnetically saturable material." This, of course, is not an inherent property of polyvinyl chloride or printing inks.

Regarding <u>claims 4, 6, 87, and 114</u>, there is no disclosure by Choki of "a non-magnetic friction reducing layer" at an exterior surface of his protective layer 33.

Regarding claims 12, 88, and 115, there is no disclosure by Choki of an exterior "lubricant layer" or "lubrication layer."

Regarding claims 14 and 18-20, there is no disclosure by Choki that his protective layer 33 is or includes an eternal "diamond-like carbon layer." Polyvinyl chloride does not meet this term.

Regarding <u>claims 75 and 89</u>, there is no disclosure by Choki that his protective layer 33 is "of a diamond-like hardness." Polyvinyl chloride does not meet this term.

Regarding <u>claim 30</u>, Choki does not disclose a data storage device "rotatably mounted within said substantially planar and generally rectangular shaped substrate." Choki's magnetic card 10 is, without question, incompatible with such a feature, and cannot be substituted as the recording medium of a "disc drive in a PC" as the Examiner asserts. This is readily apparent from

the purpose and materials of the hiding layer 32, design layer 41, and protective layer 33.

Finally, regarding claims 89 and 97, Choki does not disclose an "exchange break layer." This is readily apparent from the purpose and materials of the hiding layer 32, design layer 41, and protective layer 33.

IV. New Claims

New claims 116-124 are added. Support for claim 116 is found, for instance, in claim 30 and Figs. 55 and 56 and the discussion thereof beginning at page 72. Claim 117 is supported by, for instance, Fig. 12 and the discussion thereof at page 39. Claims 118-24 are similar to existing claims 2-6. No new matter is added.

THEREFORE, reconsideration and allowance of the pending claims is respectfully requested.

Respectfully submitted,

Customer No.: 022888

James E. Parsons

Actorney for Applicant

Req. No. 34,691

I hereby certify that this correspondence is being deposited with the United States Postal Service as FIRST CLASS MAIL in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on August 240 2004 2007

24, 2004. 8/24/2004 Date:

Signature:

Rebecca A. Baumann